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FISCAL IMPACT STATEMENT

LS 7412

BILL NUMBER: HB 1552

NOTE PREPARED: Feb 20, 2003

BILL AMENDED: Feb 19, 2003

SUBJECT: Natural Resources Issues.

FIRST AUTHOR: Rep. Bischoff

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill includes the following provisions:

- A) The bill makes changes to the windbreak program.
- B) The bill increases and establishes several fees. It deposits certain fees into new or existing funds.
- C) The bill requires the Department of Natural Resources (DNR) to issue registration decals for off-road vehicles. It consolidates statutes governing the registration of off-road vehicles and snowmobiles.
- D) - 1) It increases the injury or damage level required for an off-road vehicle operator to file an accident report. 2) It prohibits gathering plants or artifacts on private land without the owner's consent. 3) It defines "farmland" for certain hunting license requirements. 4) It requires a court to suspend a person's driver's license for failure to appear in response to a summons issued by a conservation officer.
- E) The bill allows DNR to regulate the safety and maintenance of certain dams and structures. It removes references to private geologists in the dam inspection laws. The bill also provides that dams have an engineering inspection.
- F) This bill establishes requirements to transfer an oil or gas well permit. It makes technical corrections.
- G) It repeals certain provisions concerning classified land programs and state parks and reservoir funds.
- H) The bill also extends certain reclamation fees. (The introduced version of this bill was prepared by the

Natural Resources Study Committee.)

Effective Date: June 30, 2003; July 1, 2003.

Explanation of State Expenditures: (Revised) *Provision A & G* - This provision eliminates the windbreak land classification program while grand-fathering lands currently classified under the program. Current land that is designated under this program would not be affected by this provision. However, if the level of future designations is affected by this provision, then the amount of property valuation removed from the property rolls will similarly be affected. The Department should be able to streamline expenses related to administering the program as changed by this proposal.

Provision B - Plant Nurseries: The annual net fiscal impact of this provision on the Division of Entomology and Plant Pathology is \$114,000. This is generated from additional fee collections (see *Explanation of State Revenues* below) and reduced publication expenses. The cost for a directory of Nursery Dealers License holders is eliminated because the Division will publish the directory on the Internet. The Division expects a reduced expenditure of \$5,500 due to publication cost savings of the directory.

Provision C - This provision requires the Division of Outdoor Recreation to issue registration decals that show the registration number as well as the year in which the registration will expire. Currently the expected cost for issuing such registration decals is indeterminable. The Division has not chosen a method by which it would provide the decals.

Provision D - 1) This provision raises the level of damage one must incur before an accident report must be filed and forwarded to the DNR. Currently, if an accident results in injury or at least \$100 in property damage, an accident report must be filed. The provision specifies the type of injury as severe bodily injury or death, and raises the level of property damage to \$750. This provision could cause the number of accident reports filed with the DNR to decrease, which may also decrease the DNR's administrative costs related to the accident reports. This provision may also cause for the decrease of costs associated with Conservation Officers responding to accidents.

2) This provision modifies the part of statute which designates what activities are prohibited on private property unless given consent of the owner or tenant of the land. Shooting with archery equipment, searching or gathering for plant life, and searching and gathering for artifacts are added to the list of prohibited activities. This provision may have a minimal fiscal impact if more citations are issued for trespassing.

3) This provision includes a definition of farmland so as to clarify the section of statute that necessitates a hunting license. This provision would have a minimal impact as it could potentially cause additional licenses to be purchased or increase citations for people hunting illegally.

4) This provision requires the Bureau of Motor Vehicles to forward a notice of a person's failure to appear before the court by the summons of a conservation officer to the state in which the offender lives. The Bureau must suspend the driving privileges of the defendant until the defendant appears in court and the case has been disposed of. The order of suspension may be served upon the defendant by mailing the order by first class mail to the defendant's last known address. The Bureau must prescribe forms upon which the court can notify the Bureau that the defendant has appeared in court. These provisions may have a minimal fiscal impact on the BMV.

Provision E - No fiscal impact.

Explanation of State Revenues: (Revised) *Provision B - Ginseng Dealer License Fees:* This provision proposes that the Ginseng Dealer's annual license fee be increased from \$25 to \$100. The Division of Nature Preserves estimates the additional revenue will be \$3,750 annually. Revenue from the Ginseng Dealer's license fee is deposited in the Fish and Wildlife Fund.

Provision B - Plat Nursery Fees: This provision increases the annual Nursery Dealer License fee from \$30 to \$50, and the reduced fee for those dealers who have paid an inspection fee is increased from \$10 to \$20. It raises the annual Inspection Certification fee for a nursery from \$20 to \$50 and raises the additional fee per acre of land from \$1.50 to \$3.00. The Division of Entomology and Plant Pathology estimates additional revenue of \$80,000 due to the Nursery Dealer License fee and \$28,500 due to the Inspection Certification fee.

This provision also requires the fees to be deposited into the existing Entomology and Plant Pathology Fund instead of the General Fund. As of June 30, 2002, the General Fund received \$90,425 for Nursery Dealer License and Inspection Certification fee revenue. Beginning July 1, 2003, the remaining balance of the General Fund sub-account will revert to the General Fund. Future revenues from both fees will be deposited in the dedicated fund.

Provision B - Timber Buyers License Fee: This provision proposes that the application fee or renewal fee for a Timber Buyers Certificate be increased from \$80 to \$105, and the Timber Buyers Agent License fee be increased from \$5 to \$10. The fee for an actual certificate is to remain \$20. The Division of Forestry estimates the additional income to be \$19,050. The Division's revenue generated from these fees was \$67,079 for FY 2002.

Provision C - This provision combines the statutes regulating snowmobile and off-road vehicle registration. In doing so, the off-road vehicle fee is raised from \$6 to \$30 for every three years. The Division of Outdoor Recreation expects to generate \$192,000 in additional revenue from this fee increase. Revenues collected in relation to off-road vehicle registration are to be deposited in the Off-Road Vehicle and Snowmobile Fund, which this provision creates. Money in the Fund is to be used for the enforcement, construction, and maintenance of both off-road and snowmobile trails. The Fund is to be administered by the Department, and the entire amount in the Fund is to be annually appropriated to the Department.

Other fees are also changed by this provision. Various registration fees, including recording a new address, transferring ownership, and providing a duplicate copy are currently set at \$1, but this provision makes it so the fees can be established by the Department. The \$10 demonstration and testing fee for the first two registrations and the \$5 fee for additional demonstration and testing registrations are also to be established by the Department. The fiscal impact of this provision is dependent on the amounts established by the Department.

Violation penalties are also changed by this provision. Currently, it is a Class B misdemeanor to have an altered or defaced vehicle number; the penalty is changed to a Class C infraction. It is currently a Class C infraction for a dealer to operate in unsafe conditions or to have inadequate or no liability insurance and for an individual to operate a vehicle at an excessive speed or in a dangerous manner; the penalty for both is changed to a Class B misdemeanor.

Provision C - Penalty: This bill potentially increases revenue to the Common School Fund but could reduce revenue that is deposited in the state General Fund. This is because fines from misdemeanors are deposited in the Common School Fund while infraction judgements are deposited in the state General Fund. Currently,

the maximum judgment for a Class C infraction is \$500 which is deposited into the state General Fund while the maximum fine for a Class B misdemeanor is \$1,000, which is deposited into the Common School Fund. Besides the issuance of fines, the sentencing court may assess a court fee if a guilty verdict is entered. The court fee for an infraction is \$70 while the court fee for a misdemeanor is \$120. The state receives 70% of the court fee that is assessed when a guilty verdict is entered and the fee is collected in a court of record and 55% if a case is filed in a city or town court.

Provision F - This provision increases the fee for an oil and gas permit from \$100 to \$250. The Division of Oil and Gas expects the fee to generate approximately \$45,000 in additional revenue. A person may also pay a fee of \$750 to have an expedited review of the permit application. This provision also creates the oil and gas permit transfer fee of \$10 or \$15 depending on the number of permits transferred at one time. The Division expects the fee to generate approximately \$6,000 in additional revenue. Money generated from these fees is deposited in the Oil and Gas Fund.

Provision G - This provision has no fiscal impact. The Division of Parks and Reservoirs currently manages the parks and reservoirs together. By combining the two special revenue funds, this provision will help simplify the Division's accounting procedures.

Provision H - Currently, statute provides that surface and underground coal mining operations shall pay \$0.055 and \$0.03 per ton of coal produced, respectively, to the Reclamation Division Fund until June 30, 2003. After which, the fee will decrease to \$0.03 and \$0.02, respectively. This provision extends the \$0.055 and \$0.03 fees until June 30, 2005. According to the Division of Reclamation, an average of 28,122,553 surface tons and 4,727,399 underground tons of coal, corrected for moisture, have been mined annually since 1997. If this average remains constant, the Division would retain approximately \$750,340 in FY 2004 and FY 2005. The Fund received \$1 M in coal mining fee revenue for FY 2002. The money is used to offset the costs of administering the surface coal mine inspection and enforcement program.

Explanation of Local Expenditures: (Revised) *Provision C - Penalty:* Local expenditures could increase if offenders are incarcerated in local jails instead of being only fined. A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an infraction.

Provision D - 4) Currently, upon failure to appear before the court by summons of a conservation officer, the court is to issue a warrant for the arrest of the offender. This provision provides that in addition to the warrant for arrest, the court shall issue an order to suspend the defendant's drivers license until the defendant appears in court. This provision also has a minimal fiscal impact.

Explanation of Local Revenues: (Revised) *Provision C - Penalty:* Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now misdemeanors. 27% of court fees that are collected are deposited in the county general fund when a guilty verdict is entered for a misdemeanor. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. From city and town courts, the county general fund receives 20% of the court fee while the city or town general fund receives 25%.

State Agencies Affected: Department of Natural Resources, Bureau of Motor Vehicles, Department of Correction.

Local Agencies Affected: Local Courts.Trial courts; local law enforcement agencies.

Information Sources: Dan Mathis, Legislative Liaison, Department of Natural Resources (317) 233-6904; Revenue Trial Balance, FY 2002; Indiana Sheriffs Association.

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